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# Market Release

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## **2008 Annual General Meeting Chairman's Address – Mr G.F. Dan O'Brien**

Good morning Ladies and Gentlemen. I have great pleasure in welcoming you to the second Annual General Meeting of Hexima Limited as a listed Company and declaring the meeting open.

My address to you today will be brief. The most important message I am hoping that you will take away from our AGM today is that your Company is in good hands. During the past year we have selectively built the team. We have a very capable science team, and Professor Marilyn Anderson and Dr Robyn Heath have stepped up to the challenge of a larger team and the challenges of new commercial interactions with partners such as Dow and DuPont. During the year we have added a few key new people, but more importantly seen the professional and personal development of many of the team. On the business team we have added Mr Joshua Hofheimer, our Managing Director and CEO, Ms Justine Heath, our CFO and Dr Neil Forrester, VP of Business Development. Overall you should be confident that the team is well qualified to create value for Hexima in the coming years!

The markets of most interest to Hexima and its shareholders are the global agricultural market and of course the stock markets including the ASX upon which Hexima is listed.

Let me begin by talking about global agriculture markets. Agriculture is the world's largest market by any measure. Consumption of food has historically grown steadily in line with population and GDP growth. Consumption has accelerated in recent years. Over the past decade production capacity has been limited as urban and industrial interests compete with agriculture for the limited land and water resources. In 7 of the past 10 years global grain consumption has exceeded supply and as a result world grain stocks are at historically low levels.

This supply shortage has resulted in increased grain prices and a focus on new technologies which can increase per hectare productivity. The adoption of GM technology by farmers globally has been spectacular by any measure. GM seeds have become a very profitable business.

Josh will talk a little more about this very exciting market and Hexima's strategy to commercialise its technologies, including a commentary on our recently executed agreement with DuPont.

As a listed Company Hexima must also be concerned with financial markets. During the past 6 months we have seen unprecedented volatility on global share markets. The benchmark ASX 200 index has fallen by circa 50%. The negative sentiment has had an even greater effect on small company valuations, especially on small bio-tech company valuations.

For those companies which need to raise capital to continue operations 2009 will be a very difficult year. We are seeing a situation where capital markets have discounted the value of emerging technologies to zero or less. Many small companies including Hexima are trading at a discount to cash.

Hexima is fortunate to have a very strong balance sheet. With nearly \$34m on deposit and net annual ongoing investment in the order of \$6m to \$8m we are in good shape.

I can assure each and every shareholder of two things. Firstly we are being very careful with our resources. Since all of your board and the vast majority of the Hexima team are shareholders, we treat every dollar with respect.

Secondly, although we don't take the fall in the Hexima share price personally we take it very seriously. It is disappointing to see our shares for which we paid \$1.25 just 15 months ago trading at 40 cents.

Josh and I have met with several existing and potential shareholders in the past month. Those meetings have been very positive, but in reality fund managers have not been focusing on companies such as Hexima during the past few months.

However, the Hexima story continues to be very well received:

- People understand and accept that increasing global demand for food is expected to continue for the foreseeable future, despite the current turmoil in financial markets.
- They also realise that new technologies especially GM Traits are driving increased crop yields and thereby creating value for farmers, seed companies and the owners of these new technologies.
- People understand and respect the fact that Hexima has delivered on all of the commitments made in the 2007 prospectus.
- They are pleased to hear that our science is developing positively.
- They are impressed by the results of our field trials.
- And very impressed that we have executed our first very valuable commercial agreement with DuPont - and they are very pleased to hear that we continue to build on our track record of always keeping expenditures within budget.

We cannot give shareholders any guarantee as to share price performance for 2009. However, we can assure you that during the coming year we will continue to communicate the Hexima story to existing and prospective shareholders of our Company both here in Australia and in the US.

Only a very small percentage of Australian investors are aware of Hexima and it is our goal to increase the Company's profile within Australia and introduce Hexima to agribusiness investors in the North America.

---- *Executive Presentations and Business of Meeting* ---

In closing I would like to thank the Hexima team for the hard work and commitment demonstrated over the past year.

A special word of thanks must go to Professor Marilyn Anderson and Dr Robyn Heath for the excellent results achieved by their teams. Importantly we should congratulate them on the personal and professional development of their teams.

I would also like to thank Professor Adrienne Clarke, our Deputy Chairman and Chief Science Advisor whose wisdom and passion remains an inspiration to all of us.

I would also like to thank my fellow directors and in particular thank my predecessor as Chairman, Mr Steven Skala.

Steven chaired the Company from 2002 until July of this year. The Company has benefited greatly from his guidance in the early years and during the IPO and listing. We are fortunate that Steven has agreed to remain on the board as a non-executive director so that the Company can continue to receive the benefit of his wisdom and robust common sense.

There being no further business I would like to declare the meeting closed and invite you all to join us for refreshments.

*Meeting Closed.*